now take up clause-by-clause consideration of the Bill. There are no amendments.

Clause 2 *was added to the Bill.*

Clause 1, *the Enacting Formula and the Title were added to the Bill.*

SHRI JANARDHAN POOJARI: Sir I move:

"That the Bill be returned."

The question was put and the motion was adpoted.

THE TAXATION LAWS (AMENDMENT AND MISCELLANEOUS PROVISIONS) BELL, 1986

THE MINISTER OF STATE IN THE (MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Sir, I beg to move:

"That the Bill further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide for exemption to a Government company from income-tax and surtax for a speciefid period, as passed by the Lok Sabba, be taken into consideration."

The provisions of this Bill, in brief, are;—

The Long Term Fiscal Policy had indica ted the Government's intention to remove weaknesses in law which hinder effective penal and other actions against tax eva ders. Accordingly, it is proposed to amend the provisions dealing with penalties and prosecutions under the direct tax laws to provide that before imposing a penalty or prosecuting a tax evader, the intention to evade need not be proved by the Income-tax Department once tax evasion has been proved. Similarly, in the case of defaults which attract pena. ty, it would be for the tax-payer to prove that there was a reasonable cause for default. Other enactments dealing with economic offences like the Central Excise, Customs, FERA already have this position. I wish to make it clear here and now that the Income-tax Department will have to prove that an offence has been committed.

In his statement made in the Lok Sabha on the 5th May, 1986, the Finance Minister had announced that sections 10A, 80HHB and 80HHC of the Income-tax Act would be amended so as to further encourage exports. The amendment to section 80HHB has already been carried out through the Income-tax (Amendment) Act, 1986. It is now proposed to amend section 80HHC of the Income-tax Act so that deduction allowable to the exporters is increased to the extent of four per cent of the net foreign exchange realisation plus fifty per cent of the remaining profits on exports. It is also proposed to amend section 10A of the Income-tax Act to enable an assessee deriving any proiits and gains from an industrial undertaking hi the free trade zones to claim deduction for any five consecutive assessment years, at his option, falling within a period of eight years from the year in which the industrial undertaking begins to manufacture or goes into production.

In para 96 of the budget speech tnis year, it had been proposed to rationalise the rate structure in respect of depreciation and to switch over to a scheme where depreciation is allowed on a block of assets rather than on specific assets. It is proposed to amend the Income-tax Act accordingly. As a consequential measure the concept of terminal allowance will also be done away with. Similarly, other types of depreciation such as *trn shift allowance, initial depreciation, etc. will be done away with. To ensure a smooth switch-over to the new system, certain transitory provisions are also proposed. The new rates of depreciation are to be given effect to from 2-4-1987, that is, from the assessment year 1988-89 onwards.

While section 139 of the Income-tax Act provides that every person whose total income exceeds the exemption limit shall file a return of income. a larger number of persons who do not hnve taxable income also file returns, sometimes ns part of a plan for tax evasion. To reduce this and also as an anti-tax evasion me'asure, it is now proposed t° amend the law so that voluntary returns declaring incomes below taxable limit can be ignored by the Income-tax Department. Tt is also proposed th it any person who seeks to avail of the benefit of

[Shri Janardhan Poojari]

carry-forward of loss has to file the returns of loss by the 31st day of July of the relevant year.

As per the existing provisions of the Income-tax Act, if at the time of search, a^ assessee is found to be in possession of assets which are not recorded in his books of accoimts, he is liable to penalty *to:* concealment even if he declares the full value of those assets as his income in the return filed after the search, and he had no intention to fabricate any evidence. It is now proposed to amend the law so as to provide that if the assessee makes a state' ment, during the course of search, admitting that the assets found in his premises or under his control have been acquired out of his undisclosed incom and pays the tax that is due thereon, no penalty will be leviable.

In view of the tremendous increase in the workload of the Settlement Commission, it is proposed to provide for the appointment of as many Vice-Chairman and members of the Commission as the Central Government thinks fit. This will ensure speedy disposal of the cases that have accumulated for settlement and early realisation of taxes in cases that come up for settlement.

It is also proposed t0 amend section 10(17) of the Income-tax Act retrospectively to enable the Central Government to exempt by notification any allowance[1] other than tne daily 'allowance not exceeding Rs. 1,250 per month in the aggregate received by the Members of Parliament or any Committee thereof, or an amount not exceeding Rs 600 per month in the aggregate received by the members of State Legislatures or any committee thereof. Section 80HH of the Income-tax Act provides for a deduction equal to 20 per cenft of the profits and gains of new industrial undertaking or hotel set up in lbs backward area listed in the Eighth Schedule to the Incime Tax Act for a period of 10 year,, beginning w;th the year in which the industrial undertaking begins to manufacture or produce articles 0r the hotel starts functioning. The Bill seeks to empower the Central Government to declare by notification an area as backward area for the purposes off tax holiday. As a consequential measure, the Eighth Sche-dule to the Income-tax Act will be deleted.

The Bill seeks t0 delegate to the Commissioner of Income Tax the powers of thp Central Board of Direct Taxes to reduc* or waive interest paid or payable for late payment or non-payment of taxes subject to the fulfilment of certain conditions.

Finally, the Bill seeks to provide exemption to the Housing and Urban Development Corporation Limited from the payment of income-tax for a limited period of 5 years up to the assessment year 1990-91. It will also be exempt from surtax for the assessment year 1986-87 and 1987-88.

The question was proposed.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Now I call Mr. Matto...

SHRI DIPEN GHOSH (West Bengal): Just a minute. In the morning when the Chairman was in the Chair, he allowed us to make this point that Members not a copy of this Bill only at 9 o'clock in the morning today. Only yesterday it was introduced, discussed and passed in the Lok Sabha and naturally only this morning Members of this House got a copv of It around 9 o'clock. Thereafter Members could have very little time to go through] the Bill. Therefore, we protested with the Chair, when the Leader of the House was also present. We said here was a Bill which, even if it had not come here, even if there was no discussion on it here, could have been deemed to have beeffl returned by Rajya Sabha. But the day this Bill was sought t3 be placed here discussed and passed here, the whoh thing is becoming a farce. We said in the morning that we would not in protest poTtici-pate in the discussion on this Bill and let it he deemed to have been returned t0 Lok Sabha without any discussion. Tin's is our opinion.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): But if I have names from the other side, I have to call upon them to speak_____

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI SITARAM KESRI): The Chairman had appealed.. *(Interruptions)* .

SHRI DIPEN GHOSH: You have no check to say all these things now. The House has been extended for three days-20th, 21st and 22nd—on the assumption that a Bill under Article 249 would come. You had not thought of all these other Bills at that time. Now you have realised the importance of these Bills. No plan-nings of the Government, nothing of the kind.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Mr. Ghu-lam Rasooi Matto.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Sir, I associate myself with the sentiments expressed by Mr. Dipen Ghosh for the simple reason

[Mr. Deputy Chairman in the Chair].

that this is such a big volminous document received by us only at 9 O'clock *m* the morning that it was not possible for uF>v d° justice to this Bill. In spite of the facxsthat this Bill deals with the withdrawal op^ncome-tax exemption of daily allowance paid t_0 the Members, we cannot do justice to it without studying the provisions of the Bill. I, therefore, request the honourable Chairman that in future at least if we have to do justice to our job, we must b_e given sufficient time. There are so many things that the honourable Minister mentioned that we could give our contribution on. But because of lack of time at my disposal to study the Bill % don't think I will be able to speak on this now.

MR. DEPUTY CHAIRMAN; Yes, Mr. Rameshwar Thakur now.

SHRI RAMESHWAR THAKUR (Bihar): Sir, I rise to support the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1986.

Sir, as has been stated by th_e honourable Minister, this Bill has been brought for. ward to comply with the commitments made in the Long-term Fiscal policy as also the other changes which were considered necessary. If you read the amendments, you will see that a number of them are really very good and they will certainly be helping the assessees and they will be i_n accordance with what wa_s said in the Budget speech of th_e honourable Finance Minister and also in the Long-Term Fiscal Policy. But there are a few other provisions here about which there are some misgivmg.3 and I will certainly expect that the Finance Minister will make thernj clear.

Sir, the first provision $;_s$ an amendment to section 2 which mentions about block of assets. At the moment each individual »as"Set under the Income-Tax rules is being separately provided depreciation. In view of the depreciation now having been rationalised and in vie_w of higher rates of depreciation having been provided in the last Budget, now there will be four groups. One is buildings, the second is machinery, the third is plant and the fourth is the furniture, and this block of assets wil] b_e provided depreciation at the specified rates which will be prescribed.

The second important amendment is to section 10, sub-clause *(IT),* which says something about exemption about which there is a lot of misgiving. The present sub-section (17) says:

> "Amy income by way of—
>
> (i) daily allowance received by any person by reason of his membership of Parliament or of any State Legislature or of any Committee thereof;
>
> (ii) or any remuneration received by a Member of Parliament under the Members of Parliament (Additional Facilities) Act, 1975. is exempt from tax."

So. all the daily allowances and other allowances are fully exempt from tax and what $t'h_e$ amendment proposes is in two parts. One is in regard to daily allowance. But, with regard to the second part, there is some confusion. Part (ii) says;

[Shri Rameshwar Thakur]

"all other allowances not exceeding rupess twelve hundred and fifty per month in the aggregate received by any person by reason of his membership of Parliament or of any Committees thereof, or all other allowances not exceeding rupees six hundred per month in the aggregate received by any person by reason of his membership of any State Legislature or any Committee thereof, which the Central Government may, by notification in the Official Gazette, specify in this behalf:".

The first thing I would like to mention is that m's gives the impression that the Government is going to specify through notification by way of granting some additional tax exemption to Members whereas, in fact, what it means is that the Government will give a ceiling to the alio- , wances up to Rs. 1,250/-. The basis for this confusion, for this genuine confusion, is this. Certain other things are there like electricity and water which are free up to Rs. 350|- and there are other allowances like rent. Now, Sir, the Members would like to know whether the words "all other allowances" would mean any hardship to the Members though that would not be the intention of the Government. In view of this amendment having been brought forward now, I would very much like the Finance Minister at this very stage itself to make a clear statement on this in the House. I would like him to make it clear that the intention is not to tax any other allowances. Before I proceed further, I would request the hon. Finance Minister to say a few words so that the Members may feel satisfied. *(Interruptions).*

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): As Mr. Thakur has said that he is not willing to proceed further unless I comment on this, I think it is my bounden duty to comment on this to dispel any apprehension it the minds of the hon. Members. May I nssure him that any facility to the Member which is not being taxed today will not be taxed? If need be. we will change if- from that principle. *(Interruptions).* Now, in the present circumstances what is it? The daily allowance is not touched. The constituency allowance of Rs. 1250/- does not come in for...

SHRI NIRMAL CHATTERJEE (West Bengal): In the Bill, it is 'daily allowance or... '

SHRI VISHWANATH PRATAP SINGH: Now, the apprehension is about electricity bill and other things. We will ensure that what the hon. Members are having will not be taken away by any taxation procedure as it stands today.

I tell you the reason for this, so that you may understand; it is not a slip like that. The various Legislatures have also been asking for this type of exemption— from various States. We referred it to the Law Ministry. The Law Ministry said. unless you put some guidelines, it will not be possible to discriminate. That is why they said: you have some norms. So it was only in the context of the advica from the Law Ministry to put norms. But it is not the intention to put a ceiling. I have to make i* dear that any amount which the hon. Members are receiving is not going to be taxed.

SHRI VISHVJIT PRTTHVIjTT SINGH (Maharashtra): The MLAs of U.P. are gtting Rs. 1600 as allowance. In this provision Rs. 600 has been provided. How are you going to presume that the balance of Rs. 1000 is going to...

SHRI VISHWANATH PRATAP SINGH: I have spoken about the Members of Parliament

SHRI VISHVJIT PRrTHVUIT SINGH: I am asking you specifically...

MR. DEPUTY CHAIRMAN: Your name is there. You are going to speak.

SHRI VISHVJIT PRITHVUrr SINGH: It is only a clarification on. this point. This is not a speech on the Bill. All other allowances exceeding Rs. 600 per month in the aggregate received by any person by reason of his member of any State Legislature. ..

MR. DEPUTY CHAIRMAN: Please sft down. The Minister is not running away. Mr. Salve.

SHRI N.K.P. SALVE (Maharashtra): There is only one question. We are happy he has clarified this point.

SHRI NIRMAL CHATTERIEE: Could it not be settled in your General Body meeting?

SHRI PARVATHANENI UPENDRA (Andhra Pradesh); You hurry up with the legislation and then you correct yourself! You hurry up with. the Resolution on Article 249 and you don't bring up the Bill!

SHRI N. K. P. SALVE: The clarification given by the Finance Minister takes cape of the whole lot of problems which have been agitating the minds of the Rajya Sabha and Lok Sabha people. There are only two questions I want to ask. First, Sir, what he says is not consistent with' what is contained in the Bill, because in the Bill the provision is that by Notifica-catio t'hey will determine the amount of allowances.

SHRI VISHWANATH PRATAP SINGH; That will be made consistent with what I say.

SHRI N. K. P. SALVE : Rs. 1250 is the maximum,

SHRI VISHWANATH PRATAP SINGH : That will be changed.

SHRI N. K. P. SALVE : We know what he says is correct. But it is my duty to point out to him that the section as it is reads;

> "All other allowances not exceeding rupees twelve hundred and fifty per month., .which the Central Government may, by notification in the Official Gazette, specify in this behalf."

It means that the maximum will be 1250/-. Anyway, view of 7.00 p.M.what the hon. Finance Minister has said, it is all right. Secondly, isn't the Department opening a Pandora's box? Now, which is the head of income under which you wil' tax this allowance? Are you going to tax it as income from other sources? Are you going to allow all the expenses under that head? This is the crux of the matter. When you tax certain income, it cannot be taxed in the air. It has to be taxed under certain head. It cannot be taxed under 'salary' because Section 17 does not permit it. It has to be taxed as income from other sources...

(व्यवधान)... आपकी बात मानते हैं। जब यह बात आ जाएगी, आप कहीं टैक्स करेंगे। यह दिक्कत हम जरूरी समझते हैं आपके सामने लाना। अब किसी हेड में जब टैक्स करने लगेंगे तो उसके मातहत मुजरा मिलता है, तो यह मुजरा कितना देंगे आप, माइनस इन्कम एलाऊ करेंगे क्या आप ?

SHRI GHULAM RASOOL MATTO; I think that this should be made clear.

SHRI VISHWANATH PRATAP SINGH: I have said that the hon. Members of Parliament will not b6 worse off than what they are today.

SHRI N. K. P. SALVE: Sir, we accept that. If we 'are not going to be worse off than what we are today, we accept it.

SHRI DIPEN GHOSH: These types of rumblings prove our contention that this House should have been given more time to discuss this Bill and pass it.

SHRI RAMESHWAR THAKUR; I am really grateful to the hon. Finance Minister who has been kind enough to clarify the position by 'his clear-cut 'and categorical statement that the facilities which are there in the present Act will not be reduced and all the exemptions will continue in regard to daily allowance and other allowances which are being received by the Members of Parliament.

In regard to other amendments, amendment to section 10A deals with five consecutive assessment years_ When we give So many facilities, we are also giving 5 years' tax holiday. There used to be hardship jn regard to certain industries when they were facing problems in the beginning. A very clear provision has been made which says that out Of 8 years, any five years may be chosen for tax holiday.

[Shri Rameshwar Thakur]

In regard to amendments to Clauses 32, 34 and 41, they are all relating to depreciation and, therefore, they are all right. They are all enabling clauses.

Explanation 2 to Clause 8 regarding amendment to section 43 says:

> "Where 'an asset is acquired by the assessee by way of gift or inheritance, the actual cost of the asset to the assessee shall be the actual cost to the previous owner."

This is good suggestion and this will help in clarifying the position.

In regard to section 50, so far as capital gains is concerned, there has been a substitution of the existing section by a new section which clarifies the position in regard to capital gains tax. This is also a welcome feature.

Amendment of section 80 HHC says:

> "(a) four per cent of the net foreign exchange realisation; and
>
> (b) fifty per cent of so much df the profits derived by the assessee from the export of such goods of merchandise as exceeds the amount referred to in clause (a)."

This will give impetus to exports The other two clauses will set right many of the difficulties in this regard.

I have to mention one important thing in which we find difficulties again. And that is in regard to omission o'f the words "without reasonable cause" in sub-clause (i) of section 271 of the Income Tax Act. The existing law has given that there may be some good reason for not being able to file the return. And the existing law says that if a particular person is not able to file the return without reasonable cause, then he is liable to punishment Sir, this is being taken out. There may be a number of such situations in which this might create even hardship Somebody may be ill, somebody may be in hospital and there may be unforeseen circumstances. Sir, after having brought this amendment in several clauses- Clauses 271A, 271B, 272A, 272AA and 272B—after saying everywhere "without reasonable cause", we come back again to say under Section 273B that:

> "Notwithstanding anything contained in the provisions of section 270, clause (a) or clause (b) of sub-section (1) of section 271, section 271 A, section 271B, sub-section (2) of section 272A, sub-section (1) of 272AA, subsection (1) of section 272B or clause (b) of. sub-section (1) or clause (b) or clause (c) of sub-section (2) of section 273, no penalty shall be impos-able on the person or the assessee, as the case may be, for any failure referred to in the said provisions if he proves that there was reasonable cause for the said 'failure."

Again we come to the reasonable cause. But this is a round-about way we are talking. The Act in this Section provided "without any reasonable cause". We said we want to omit them. Now, we come hack to say, "notwithstanding anything contained.,. no penalty shall be irnpos-able...for any failure referred to in the said provisions if he proves that there was reasonable cause for the said failure". Then, we are accepting the same situation with a slight emphasis no doubt. I appreciate it. But, I think, this was not necessary. If the intention is there, if the words "reasonable cause" should be maintained, then these amendments seem to be redundant and not necessary.

Similarly, Sir, we have got one rn°re amendment to be inserted after Section 278D Which requires a culpable mental state on the part of the accused. Now, here also, we say that the culpable mental state includes intention, motive or knowledge of a fact, or belief in, or reason to believe, a fact. Now, this presumption is also now going to be taken out. I think, this will not be a fair proposition also. Similarly, we find that two Schedules, *i.e.* the Eighth Schedule and the Ninth Schedule, are being taken out. The next thing is the Wealth Tax. The same thing is repeated—without reasonable cause— about which I have mentioned. I think, this exercise in so many clauses, in so

many amendments, taking out the reasonable cause and 'again putting jt m a backdoor method or a roundabout way does not seem to be very convincing and reasonable.

Sir, the last one is in regard to the Housing and Urban Development Corporation Limited to be exempt ifor a certain period from liability to pay income-tax and surtax. This is a very laudable proposition because housing, particularly urban housing is a problem for which this Corporation is built up_ Five years' tax holiday has been granted. This is a laudable proposition and I recommend this.

Sir, I conclude with these words and also I commenj those changes brought about in regard to the settlement Commission which is doing a tremendous job to have more Benches which will be able to hear and dispose of more cases. Along with the Chairman or the Vice-Chairman, the Bench should be constituted. And they can hear more cases. It is a good proposition. And I support this.

(Interruptions)

SHRI DIPEN GHOSH; Sir, what is the necessity of this friendly exercise? He has made the statement and let it be returned to the Lok Sabha. It could be deemed as returned to Lok Sabha. There is 'another resolution; let us discuss it.

SHRI RAMESHWAR THAKUR: So, Sir, I support these other changes brought about and with these words I commend this Bill

SHRI JAGESH DESAI (Maharashtra): I rise to support this amending Bill and I congratulate the Finance Minister for having the discussion paper brought 'for discussion in this session. I am not going to speak or give my views on th'at paper. But I would Only say that what we are attempting in this House regarding wealth tax is that by one stroke o'f pen in this paper, the provision by which those deriving income but p'ayfng a* a lesser rate of tax, has been done away with. Here, I would like to draw the attention of the Finance Minister to one point and that is that Association of Persons and firms and the HUF, all these three categories should be treated equally. I find that as regards the firm, if a partner has a business income, that firm will be taxed at the maximum marginal rate of tax applicable to individual. Similar is the case with Association of Persons that i'f one of the beneficiary has business income, in that case, it will be taxed at the maximum marginal rate. In % case of HUF, the word used is 'income' and not 'business income'. So I would suggest that all these three should be put at the same footing and I am sure the hon. Minister will look into it. In case of HUF where a co-partner has no other income and has business income, only then he is taxed at the maximum marginal rate; otherwise it should be at the rate applicable *to* individual. I am sure the 'hon. Minister will look into it.

Sir, an impression has been created that the Finance Minister is giving benefits to MPs by this Bill. A relative of mine who was at my residence told me that we will not have to pay any tax on the daily allowance. I said, it is already there. What is new about it? Then °n otner allowances al. o, he said that these will not be subject to tax and I said, yes, this provision already -exists. So, Sir, you have to dispel the wrong impression being created in the minds of the people all over the country that Finance Minister has given benefits to MPs, which is not so.

SHRI VISHWANATH PRATAP SINGH; I said that hon. Members had agitated over it and my object was that it will not look as if a concession is given_

SHRI JAGESH DESAI: In case the allowance is increased to Rs. 1500, again you will have to come with the amendment. So, I feel that the original clause in the Bill is quite good and that should be retained.

I draw attention to Section 271. I am happy that provisions have been made more effective and deterrent. About the particular wards used, I do not 'agree with my friend Shri Thakur. You have reduced the rate of taxation and we have now to see that those who do not pay tax in full

[Shri Jagesh Desai]

or those who conceal their income, must be punished severely. I am also happy that now on us of proof will be with the assessee and not with the department. 1 am happy that the words 'reasonable cause' have been deleted. I am also very happy that in the same clause, in clause (B) under Explanation 1 you are replacing the words not able to substantiate with the words 'not able to substantiate and fails to prove that such explanation is *bonafide* in those cases only, it will be accepted and m other cases, it will be considered as default. I am very happy that you have made this amendment. I am in complete agreement with the amendments made in section 271.

With these words, I support the Bill.

MR. DEPUTY CHAIRMAN: Shri Vishvjit Prithvijit Singh. Pleas,? be brief.

SHRI VISHVJIT PRITHVUIT SINGH: I will be brief. Mr. Deputy Chairman, Sir, I would like to congratulate the h°n. Finance Minister for bringing forward this Bill. The hon. Finance Minister, probably, did not understand my intention when I intervened a little earlier. My intention was to congratulate him and agree with him. I totally agree. These provisions of allowances and all ought to be curtailed. They ought to he curtailed. It is very good. It is about time all these are curtailed and a norm is set. I am glad, a norm has been set. I am sure, the hon. Minister will stick to what he has said here in this amending Bill. I fully agree.

SHRI NIRMAL CHATTERJEE; One thousand rupees should also be taxable.

SHRI VISHVJIT PRITHVIJIT SINGH: Absolutely, Comrade. I totally agree with you. It is vtry right. It says here:

> "(ii) all other allowance not exceeding rupees twelve hundred and fifty per month in the aggregate received by any person by reason of his membership of Parliament or of any Committee thereof, or all other allowances not exceeding rupees six hundred per month in the aggregate received by any person by reason of his membership of any State Legislature or any Committee thereof. .."

The ceiling has been put at Rs. 1250 in the case of Members of Parliament and Rs. 600 in the case of Members of Legislature. I totally agree with this. Everything else ought to become taxable. Everything beyond this. Why should we have these facilities. When everybody else in this country is suffering, when there are so many problems in this country, **why** should we have these facilities? I totally agree with this. I am absolutely of the opinion that the hon. Finance Minister should not bring in any amendment, but keep it as it is. This is absolutely correct. Everything beyond this ought to become taxable. I also agree with Mr. Salve that if this is fixable, the other genuine expenses we incur.. ..

SHRI N. K. P. SALVE: This will result in having a minus income. He is extremely intelligent. He does not want this to be delected for this reason that in the computation of income, it will become minus. *{Interruptions)*

SHRI VISHVJIT PRITHVUIT SINGH; I agree with Mr. Salve that whatever expenses we incur, in terms of secretarial assistance, in terms of the postage which we spend, in terms of the telephone calls which we make which are genuine, we will, of course, get exemption as a deduction not as an exemption. The heading ought to be changed. I totally agree with this amendment and I congratulate the hon. Minister for bringing forward this revolutionary measure.

SHRI JANARDHAN POOJARI: Mr. Deputy Chairman, Sir, I am grateful to the all those hon. Members who have taken part in the discussion. I am also greate-ful to the hon. Members from the opposition who have not taken part in the debate.

SHRI DIPEN GHOSH: It is a household affair. Why do you reply?

SHRI JANARDHAN POOJARI: Sir, hon. Members from the treasury benches have welcomed most of the measures which have been introduced in this amending Bill. Hon. Member, Shri Thakur, referred to culpable mental state. In this case, the burden has been shifted to the assessee.. It is the wish and will of Parliament, it is the vioce of the notio$_n$ also outside, that we have to take effective steps against black money and also against tax evaders. Here is a measure by which we are shifting the burden, in the case of culpable mental state, to the assessee. In the present law, the burden of proof to the effect that the assessee had committed a default and that there is an intention to commit that default is on the department. Now in order to have effective legislation and also to have effective action against tax evader$_s$ we have shifted the burden on the assessee and it is for him now to prove that there[1] was no intention to committ the default. I am sure, the measure is going to be a curb on black money and I thank the hon. Members for giving full support to this Bill. I commend the Bill for consideration of the House.

MR. DEPUTY CHAIRMAN: Now I will put the motion.

The questions is:

"That the Bill further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift tax Act, 1958 and to provide for exemption to a Government company from income-tax and surtax for a spcified period, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN; We shall BOW take up clause by clause consideration of the Bill.

Clauses 2 *to* 42 *were added to the Bill.*

Clause 1, *the Enacting Formula and the Title were added to the Bill.*

SHRI JANARDHAN POOJARI); Sir, I move;

"That the Bill be returned."

The question was put and the motion was adopted

The sales promotion employees (conditions of $_s$crvice) Amendment Bill, 1985 (comtd).

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P. A. SANGMA); Sir, ___

SHRI DIPEN GHOSH (West Bengal): Can't the reply be laid in the Tabl$_e$ as other papers are laid on the Table?

SHRI P. A. SANGMA; Mr. Deputy Chairman, Sir, I will take two minutes only for two reasons. One, I do not wish to see that the House is tired. Two, the amending Bill has been wholeheadtedly supported by the whole House. I would reply to only four points which have been[1] raised by the hon. Members. One, Dr. Vijaya Mohan Reddy referred to the victimisation of some of the sales promotion employees and Mr. M. A. Baby and Shri Bapu Kaldate raised the point about charter of demands by the federation. Now this sales promotion employee has been brought under the purview of the definition of Svorkman' under the Industrial Disputes Act. Therefore, all these problems can be sorted out by resorting to the provisions of the Industrial Dispute^ Act. *ThU* was not possible earlier because they were not covered under the purview of the definition of workmen.

Tlie other point that wa$_s$ made is that instead of raising from Rs. 700 to Rs. 1600 it should have been raised to Rs. 2500. The reason for raising *to* Rs. 1600 is to bring it at par with the provisions of the ID, Act.

The fourth point which has been raised by the House and which is important is, whv the nrovi=ions of the Act should be made applicable only to pharmaceutical industry. ,